

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2905 - SB 2925

February 10, 2010

SUMMARY OF BILL: Classifies the discharge of an employee as a “discharge for misconduct” if the employer provides evidence that four or more complaints concerning the employee were received from customers who received services directly from the employee, provided the employee was notified by the employer of such complaints within 10 days of receiving each complaint and the employee was given a reasonable opportunity to correct his or her performance.

ESTIMATED FISCAL IMPACT:

Decrease State Expenditures - \$91,300/Unemployment Insurance Trust Fund

Assumptions:

- A “discharge for misconduct” would disqualify the employee from eligibility for unemployment insurance benefits.
- Based on information provided by the Department, it is estimated that 100 workers will be discharged for poor work performance each year who under current law would be eligible for unemployment insurance benefits.
- Half of these cases are based on customer complaints.
- In half of the remaining cases, the employer notifies the employee of each complaint within ten days of receiving each complaint and gives the employee a reasonable opportunity to correct his or her performance.
- This will result in a decrease in the overall number of claims of approximately 25 each year.
- The average weekly benefit amount is \$226.94 and the average duration for unemployment benefits is 16.1 weeks.
- The total decrease in recurring state expenditures from the Unemployment Insurance Trust Fund is approximately \$91,300 (25 claims x \$226.94 x 16.1 weeks).

- The U.S. Department of Labor (USDOL) must approve all bills impacting the unemployment insurance program for conformity with federal law.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/jaw